

# Competitive Subcontract Selection in UESC

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#### **NAVFAC UESC RFP Clause:**

**Competition** — The Contractor shall competitively bid and select subcontractors in accordance with FAR clause 52.244-5 (Competition in Subcontracting) to implement this Authorization. The Contractor shall include with its proposal the Abstract of Offers, identifying the project, and stating company name, address and amount of bid for all subcontract's bids.

### Since FAR 44.204(c) states:

The contracting officer shall, when contracting by negotiation, insert the clause 52.244-5, Competition in Subcontracting, in solicitations and contracts when the contract amount is expected to exceed the simplified acquisition threshold, unless—

- (1) A firm-fixed-price contract, awarded on the basis of adequate price competition or whose prices are set by law or regulation, is contemplated; or
- (2) A time-and-materials, labor-hour, or architect-engineer contract is contemplated.

#### **Government Concerns Include:**

- Was adequate price competition obtained or its absence properly justified?
- Has the contractor performed adequate cost or price analysis?
- Is there a sound basis for selecting and determining the responsibility of a particular subcontractor?
- Does the subcontract contain required flow-down clauses?

# How SCG and SDG&E Procures Subcontracts:

SCG and SDG&E use a procurement policy that meets our internal corporate requirements, those of the CPUC and FAR 52.244-5. This procurement policy and documentation is independently audited on a regular basis.

# Internal SCG/SDG&E 1<sup>st</sup> Tier Requirements:

- Competitive sourcing is required above \$75K, but recommended on all company purchases
- Maintain level playing field
- Evaluation criteria needs to be developed before a Request for Proposal (RFP) is released to the marketplace
- Supplier evaluation and selection needs to be thoroughly considered and well documented
- Avoid conflicts of interest

### The Order of Things:

Don't issue 1st Tier RFP's until receipt of government solicitation - Don't jump the gun!

- Identify internal sourcing team
- Develop evaluation criteria -rubric and questions
- Develop bidder list
- Create/issue 1st tier bid document
- Receive proposals
- Preliminary response evaluation
- Conduct bid interviews
- Final response evaluation

#### **Identify Internal Sourcing Team**

#### Typically consists of:

- Corporate Procurement Agent
- Utility Project Manager
- 2<sup>nd</sup> Utility Project Manager or Team Leader/Manager

## Rubric - Develop Evaluation Criteria

Criteria	Score (10 high, 1 low)	Weight	Vendor A	
(SAMPLE RUBRIC)			Raw Score	Weighted
Price	1-10	30%		
Diverse business enterprise %	1-10	20%		
Full & complete bid using provided bid forms	1-10	5%		
<b>Demonstrative understanding of the SOW</b>	1-10	10%		
Demonstrative understanding what 'turn-key' means	1-10	10%		
Safety record and practices	1-10	10%		
Quality control practices	1-10	5%		
References	1-10	3%		
Methodology & management	1-10	5%		
Lead time / schedule	1-10	2%		
		100%		

## Develop Bidder List

#### Considerations:

- Company history
- Client references
- Proof of insurance
- California contractor's license
- Performance bond experience
- Related construction experience
  - Project sizes
  - Turn-key construction experience
  - Change order history

#### Develop Bidder List - cont'd

- Dun & Bradstreet number
- Diverse business enterprise experience
- Safety program and history
- Quality control process
- Turn around time in an emergency
- Standard contract language issues?
- Base experience?
- Historical pricing metrics

#### Create/Issue 1st Tier Bid Document

- Include pass-through contract language
- Include pass-through statement of work
- Include proposal cost forms
- Davis-Bacon wage rates
- Bid response due date and time
- Bid walk date and time
- Potential bid interview date

#### Receive Proposals

- SCG and SDG&E typically allow emailed responses using provided bid cost forms
  - Follow-up signed and dated hard-copy via 1st Class Mail
- Document proposal receipt date & time

### **Preliminary Response Evaluation**

#### Build 1st Tier RFP Excel Documentation Workbook

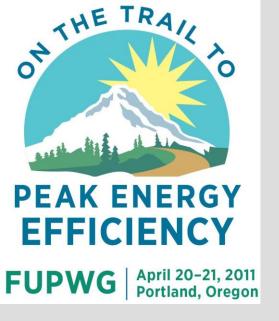
- Each contractor price breakdown
- Comparative table of cost breakdowns
  - Identify/reason gaps and gross differences
  - Document all exceptions
  - Identify value-added options
- Each contractor bid questionnaire & response
  - Add questions to substantiate gaps, differences, exceptions, value-added options and other items
- Differentiate competitive bidders and outliers
  - Notify competitive bidders of bid interview date and time
  - Notify outliers of bid rejection in writing

#### **Conduct Bid Interviews**

- Schedule alternating interviews to limit bidder interaction before or after interview
- Engineer can participate in the bid interview of 1<sup>st</sup>
   Tier Contractors
- Use pre-developed questions and explore cost gaps, differences, exceptions, value-added options and other contractor specific items
- Discuss line item ECM removal in the event the government wants to scale back the project
- Document bid interview responses

### Final Response Evaluation

- Sourcing team weights proposal response and bid interview utilizing evaluation criteria
- Notify 'first position contractor' pending successful UESC agreement
- Notify 'second position contractor' pending unsuccessful first position contractor agreement
- Notify other bidders of bid rejection in writing



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Questions?